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Willie International Holdings Limited

威利國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

**PROPOSED SHARE SUBDIVISION,
BONUS ISSUE OF SHARES AND
CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued Shares of the Company will be subdivided into ten Subdivided Shares. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the section headed “Conditions of Share Subdivision” below.

BONUS ISSUE

The Board is pleased to announce that the Bonus Issue will be made on the basis of one Bonus Share for every two Subdivided Shares held by the Qualifying Shareholders on the Record Date upon the fulfillment of the conditions set out under the section headed “Conditions of Bonus Issue” below.

CHANGE IN BOARD LOT SIZE

The Board would arrange for changing the board lot size for trading in the Shares from 10,000 existing Shares to 20,000 Subdivided Shares after the Share Subdivision becoming effective.

GENERAL

A circular containing, among other things, details of the Share Subdivision, the Bonus Issue and the Change In Board Lot Size together with the notice of the GM and related proxy form, will be despatched to Shareholders on or around 17 November 2014.

PROPOSED SHARE SUBDIVISION

Basis of Share Subdivision

The Board proposes that each of the existing issued Shares of the Company will be subdivided into ten Subdivided Shares. The Share Subdivision will become effective upon the fulfillment of the condition set out below under the section headed “Conditions of Share Subdivision” below.

As at the date of this announcement, the Company has 940,963,525 Shares in issue and fully paid. Moreover, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the date of this announcement. It is expected that upon the Share Subdivision becoming effective, 9,409,635,250 Subdivided Shares will be in issue and fully paid, assuming that no further Shares are issued or bought back from the date of this announcement.

Conditions of Share Subdivision

The completion of Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the GM for approving the Share Subdivision; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the day next following the passing of the ordinary resolution as specified therein, which is expected to take place on Thursday, 4 December 2014.

Application will be made to the Stock Exchange in respect of such approval for the listing of, and permission to deal in, the Subdivided Shares.

Effect of Share Subdivision

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other. Implementation of the Share Subdivision would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Share Subdivision.

The Share Subdivision will not be expected to result in any odd lots other than those already exist.

Exchange of share certificates

Upon the Share Subdivision becoming effective, the Shareholders may, during the period from Thursday, 4 December 2014 to Wednesday, 14 January 2015 (both dates inclusive), submit their existing certificates for the Shares to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge. Thereafter, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled, whichever is higher. Existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Subdivided Shares at any time at the expense of the Shareholders.

The new share certificates will be green in colour so as to be distinguished from the existing share certificates which are red in colour.

BONUS ISSUE OF SHARES

Basis of Bonus Issue

The Board is pleased to announce that the Bonus Issue will be made on the basis of one Bonus Share for every two Subdivided Shares held by the Qualifying Shareholders on the Record Date which is expected to be Wednesday, 10 December 2014 upon the fulfillment of the conditions set out under the section headed "Conditions of Bonus Issue" below.

On the basis of 9,409,635,250 Subdivided Shares after the Share Subdivision becoming effective, and assuming no further Shares will be issued or bought back up to and including the Record Date, it is anticipated that 4,704,817,625 Bonus Shares will be issued under the Bonus Issue. After the completion of the Bonus Issue, there will be a total of 14,114,452,875 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be allotted and issued to the Qualifying Shareholders without any consideration payable by the Qualifying Shareholders or capitalization of any reserves of the Company; hence, there will be no change in the amount of the Company's share capital. As there will be no money remaining unpaid by any Shareholders to the Company on the Bonus Shares, the Board will allot the Bonus Shares as fully-paid Shares.

Fraction of Bonus Shares

Fractional entitlements to the Bonus Shares will not be allotted to Shareholders and will be aggregated and sold for the benefit of the Company.

Conditions of Bonus Issue

The completion of Bonus Issue is conditional upon:

- (a) the Share Subdivision becoming effective; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Application will be made to the Stock Exchange in respect of such approval for the listing of, and permission to deal in, the Bonus Shares.

Closure of register of members

For the purpose of determining Shareholders' entitlements to the Bonus Issue, the register of members of the Company will be closed from Tuesday, 9 December 2014 to Wednesday, 10 December 2014, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for the entitlements to the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration, no later than 4:30 p.m. on Monday, 8 December 2014.

Overseas Shareholders

Based on the latest shareholders information available from the Company's share registrar, the Company had two Overseas Shareholders located in Macau and did not have any Overseas Shareholders located elsewhere as at 30 September 2014. Enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules for Overseas Shareholders, if any, on the Record Date. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, no Bonus Share will be issued to such Overseas Shareholders. To the best knowledge of the Board, there is no such kind of restrictions or requirements applicable to Overseas Shareholders located in Macau and the Bonus Shares will be granted to them. Arrangements will be made for the Bonus Shares which would otherwise have been issued to the

Overseas Shareholders not qualified for the Bonus Issue to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each non-qualifying Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

Status of Bonus Shares

The Bonus Shares, upon allotment and issue as fully-paid Shares, will rank *pari passu* with the Shares then existing in all respects, including the entitlement to receiving dividends and other distributions, the record date for which is on or after the date of allotment and issue of those Bonus Shares.

Certificates for Bonus Shares

It is expected that share certificates for the Bonus Shares will be despatched by ordinary post to the Qualifying Shareholders on Wednesday, 17 December 2014 at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealing in the Bonus Shares on the Stock Exchange is expected to commence at 9:00 a.m. on Thursday, 18 December 2014.

Odd lot arrangement

In order to alleviate the difficulties arising from the existence of odd lots of Subdivided Shares due to the Bonus Issue, the Company has agreed to procure an agent to stand in the market to provide matching services for the odd lots of Subdivided Shares on the best effort basis. Further details in respect of the odd lots arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lots of 10,000 Shares each. The Board would arrange for changing the board lot size for trading in the Shares from 10,000 existing Shares to 20,000 Subdivided Shares after the Share Subdivision becoming effective.

Based on the closing price of HK\$1.91 per existing Share as at the date of this announcement (equivalent to a theoretical ex-entitlement price of approximately HK\$0.1273 per Subdivided Share upon the Share Subdivision becoming effective and the allotment of the Bonus Shares), the market value of each board lot of 10,000

Subdivided Shares is estimated to be approximately HK\$1,273 upon the Share Subdivision becoming effective and the allotment of the Bonus Shares. With the Change in Board Lot Size to be implemented by the Board after the Share Subdivision becoming effective, the market value per board lot of 20,000 (instead of 10,000) Subdivided Shares is estimated to be approximately HK\$2,546, based on the theoretical ex-entitlement price of approximately HK\$0.1273 per Subdivided Share. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders. Dealing in the Subdivided Shares on the Stock Exchange in the new board lot size of 20,000 Subdivided Shares is expected to commence at 9:00 a.m. on Thursday, 18 December 2014.

The Change in Board Lot Size together with the Share Subdivision will not be expected to result in any odd lots other than those already exist as one existing board lot of 10,000 existing Shares will become five new board lots of 20,000 Subdivided Shares.

REASONS FOR AND BENEFITS OF SHARE SUBDIVISION, BONUS ISSUE AND CHANGE IN BOARD LOT SIZE

The Share Subdivision (when effective) will increase the total number of shares in issue and correspondingly reduce the trading price of each Share in the Company so that the market value per board lot of Shares in the Company can be reduced to appeal to more investors.

Having considered the impressive unaudited financial performance of the Group for the 9 months ended 30 September 2014 as described in the announcement published by the Company on 24 October 2014 and in recognition of the continual support of the Shareholders, the Board decides to make the Bonus Issue.

Based on the closing price of HK\$1.91 per existing Share as quoted on the Stock Exchange on the date of this announcement, the market value per board lot of 10,000 existing Shares is HK\$19,100. After effecting the Share Subdivision, the Bonus Issue and the Change in Board Lot Size, the estimated market value per board lot of 20,000 Subdivided Shares will be theoretically lowered to approximately HK\$2,546 as explained in the section headed “Change in Board Lot Size” above.

The Board is of the view that the increase in number of shares of the Company together with the corresponding reduction in the trading price as a result of the Share Subdivision and the Bonus Issue may improve the trading liquidity of the Subdivided Shares vis-à-vis the existing Shares, apart from enabling the Company to broaden its Shareholders’ base. The Board believes that the Change in Board Lot Size will help to reduce the overall transaction costs for dealing in the Subdivided Shares which are

calculated on per board lot basis. Accordingly, the Board considers that the implementation of the Share Subdivision and the Bonus Issue together with the Change in Board Lot Size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision, the Bonus Issue and the Change in Board Lot Size is set out below.

2014
(Hong Kong time)

Despatch of the Circular in relation to the
Share Subdivision with description of the
Bonus Issue and the Change of Board Lot
Size together with the GM notice
and proxy form On or around Monday, 17 November

Latest time for lodging the proxy form
for the GM (not later than 48 hours
prior to the time of the GM) 10:00 a.m., Monday, 1 December

Expected date and time of the GM 10:00 a.m., Wednesday, 3 December

Publication of poll results of the GM Wednesday, 3 December

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision and the Bonus Issue as set out in the sections headed “Conditions of the Share Subdivision” and “Conditions of Bonus Issue” in this announcement.

Effective date of the Share Subdivision Thursday, 4 December

Free exchange of existing share certificates
for new share certificates for Subdivided
Shares commences Thursday, 4 December

Dealing in Subdivided Shares commences 9:00 a.m., Thursday, 4 December

Original counter for trading in existing Shares
(in board lots of 10,000 Shares) closes 9:00 a.m., Thursday, 4 December

2014

(Hong Kong time)

Temporary counter for trading in Subdivided Shares
in board lots of 100,000 Subdivided Shares
(in form of existing share certificates in
red colour) opens 9:00 a.m., Thursday, 4 December

Last day of dealing in Subdivided Shares
on a cum-entitlement basis in respect of
the Bonus Issue Thursday, 4 December

First day of dealing in Subdivided Shares
on an ex-entitlement basis in respect of
the Bonus Issue Friday, 5 December

Latest time for lodging transfer forms of
Subdivided Shares to qualify for the
Bonus Issue 4:30 p.m., Monday, 8 December

Closure of register of members of the
Company for determining entitlement
to the Bonus Issue Tuesday, 9 December to
Wednesday, 10 December
(both days inclusive)

Record Date Wednesday, 10 December

Register of members of the Company re-opens Thursday, 11 December

Certificates for Bonus Shares to be despatched Wednesday, 17 December

Dealing in Bonus Shares commences 9:00 a.m., Thursday, 18 December

Original counter for trading in Subdivided
Shares (in board lots of 20,000 Subdivided
Shares) re-opens 9:00 a.m., Thursday, 18 December

2014

(Hong Kong time)

Designated broker starts to stand in the market
to provide matching services for the sale
and purchase of odd lots of
Subdivided Shares 9:00 a.m., Thursday, 18 December

Parallel trading in existing Shares and Subdivided
Shares (in form of existing share certificates
in red colour and new share certificates in
green colour) begins 9:00 a.m., Thursday, 18 December

2015

(Hong Kong time)

Temporary counter for trading in Subdivided
Shares in board lots of 100,000 Subdivided
Shares (in form of existing share certificates
in red colour) closes 4:00 p.m., Monday, 12 January

Parallel trading in Shares and Subdivided Shares
(in form of existing share certificates in
red colour and new share certificates in
green colour) ends 4:00 p.m., Monday, 12 January

Designated broker ceases to stand in the market
to provide matching services for the sale
and purchase of odd lots of
Subdivided Shares 4:00 p.m., Monday, 12 January

Free exchange of existing share certificates for
new share certificates in green colour ends Wednesday, 14 January

Further announcement will be made by the Company for changes, if any, in the
expected timetable for implementation of the Share Subdivision, the Bonus Issue and
the Change in Board Lot Size as well as the associated trading arrangements listed
above.

GENERAL

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are investment in securities trading, money lending, property investment and investment holding.

A GM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Share Subdivision. A circular containing, among other things, details of the Share Subdivision, the Bonus Issue and the Change in Board Lot Size together with the notice of GM and related proxy form will be despatched to Shareholders on or around Monday, 17 November 2014.

Pursuant to Article 11 of the Company's articles of association, sections 140 and 170 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and Rule 13.36(2) of the Listing Rules, no Shareholders' approval is required for the Company's implementation of the Bonus Issue as the Bonus Shares will be allotted to Qualifying Shareholders in proportion to their shareholdings.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:-

“Board”	the board of directors of the Company
“Bonus Issue”	the issue of the Bonus Shares to the Qualifying Shareholders on the basis of one Bonus Share for every two Subdivided Shares held on the Record Date as described in this announcement
“Bonus Share(s)”	new Share(s) to be allotted and issued by way of the Bonus Issue by the Company
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 10,000 existing Shares to 20,000 Subdivided Shares after the Share Subdivision becoming effective
“Company”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 273)

“GM”	the general meeting of the Company to be convened for the purpose of approving the Share Subdivision
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“Qualifying Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date who are entitled to the Bonus Issue but excluding Overseas Shareholder(s) whom the Board, after making enquiries, consider it is necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them
“Record Date”	being the date for determination of entitlement to the Bonus Issue, which is expected to be Wednesday, 10 December 2014
“Share(s)”	ordinary share(s) of no par value in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s) or Subdivided Share(s), as the case may be
“Share Subdivision”	the proposed subdivision of each issued Share into ten Subdivided Shares as described in this announcement

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Subdivided Share(s)”

ordinary shares in the share capital of the Company arising from and upon the Share Subdivision becoming effective

By order of the Board
Willie International Holdings Limited
Dr. Chuang Yueheng, Henry
Chairman

Hong Kong, 30 October 2014

As at the date of this announcement, the Board comprises:

Executive Directors:

Dr. Chuang Yueheng, Henry
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Independent Non-executive Directors:

Mr. Yau Yan Ming, Raymond
Mr. Frank H. Miu
Dr. Antonio Maria Santos